

1 2026. More specifically, the Commissioner discovered that Elltee was incorrectly calculating into its
2 “Fixed Assets” and “Liabilities” the capital raised from the sale of stock.

3 7. The Commissioner is authorized to pursue administrative actions and remedies against
4 persons and licensees who engage in violations of the CDDTL. Financial Code section 23050
5 provides, in relevant part:

6 Whenever, in the opinion of the commissioner . . . any licensee is violating
7 any provision of this division, the commissioner may order that person or
8 licensee to desist and to refrain from engaging in the business or further
9 violating this division. If within 30 days, after the order is served, a written
request for a hearing is filed and no hearing is held within 30 days
thereafter, the order is rescinded.

10 8. The minimum net worth requirement is codified in Financial Code section 23007,
11 which provides:

12 The applicant shall file with the application financial statements prepared
13 in accordance with generally accepted accounting principles and
14 acceptable to the commissioner that indicates a net worth of at least
15 twenty-five thousand dollars (\$25,000). A licensee, regardless of the
number of licensed locations, shall maintain a net worth of at least twenty-
five thousand dollars (\$25,000) at all times.

16 9. Financial Code section 23024 provides, in relevant part:

17 Each licensee shall keep and use books, accounts, and records that will
18 enable the commissioner to determine if the licensee is complying with the
19 provisions of this division and with the rules and regulations promulgated
20 by the commissioner. Each licensee shall maintain any other records as
21 required by the commissioner. The commissioner or a designee of the
22 commissioner may examine those records at any reasonable time

23 10. California Code of Regulations, title 10, section 2026 states:

24 A deferred deposit originator shall maintain its books, accounts and
25 records in accordance with generally accepted accounting principles and
26 good business practices.

27 Based on the foregoing, the Commissioner of Business Oversight is of the opinion that
28 Elltee Financial, Inc., doing business as Cash Place, violated: (1) Financial Code section 23024 by
failing to keep books, accounts, and records to enable the Commissioner to determine if the licensee
is complying with the minimum net worth requirement under Financial Code section 23007; and (2)

1 California Code of Regulations, title 10, section 2026, by failing to maintain books, accounts, and
2 records in accordance with generally accepted accounting principles and good practices while
3 engaging in the business of deferred deposit transactions.

4 Pursuant to Financial Code section 23050, Elltee Financial, Inc., doing business as Cash Place
5 is hereby ordered to desist and refrain from violating Financial Code section 23024 and California
6 Code of Regulations, title 10, section 2026.

7 This Order is necessary, in the public interest, for the protection of investors and consistent
8 with the purposes, policies, and provisions of the California Deferred Deposit Transaction Law. This
9 Order shall remain in full force and effect until further order of the Commissioner.

10 Dated: May 2, 2017
11 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

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15 By: _____
16 MARY ANN SMITH
17 Deputy Commissioner
18 Enforcement Division
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